

## § 78.12

Plan does not mean it meets FMA eligibility criteria. Projects must:

(a) Be cost-effective, not costing more than the anticipated value of the reduction in both direct damages and subsequent negative impacts to the area if future floods were to occur. Both costs and benefits are computed on a net present value basis.

(b) Be in conformance with 44 CFR part 9, Floodplain Management and Protection of Wetlands; Executive Order 12699, Seismic Safety of Federal and Federally Assisted or Regulated New Building Construction; 44 CFR part 10, Environmental Considerations; and any applicable environmental laws and regulations.

(c) Be technically feasible.

(d) Be in conformance with the minimum standards of the NFIP Floodplain Management Regulations at 44 CFR part 60.

(e) Be in conformance with the Flood Mitigation Plan; the type of project being proposed must be identified in the plan.

(f) Be located physically in a participating NFIP community that is not on probation or must benefit such community directly by reducing future flood damages.

### § 78.12 Eligible types of projects.

The following types of projects are eligible for funding through FMA, providing they meet all other eligibility criteria.

(a) Acquisition of insured structures and underlying real property in fee simple and easements restricting real property to open space uses.

(b) Relocation of insured structures from acquired or restricted real property to non hazard-prone sites.

(c) Demolition and removal of insured structures on acquired or restricted real property.

(d) Elevation of insured residential structures in accordance with 44 CFR 60.3.

(e) Elevation or dry floodproofing of insured non-residential structures in accordance with 44 CFR 60.3.

(f) Other activities that bring an insured structure into compliance with the floodplain management requirements at 44 CFR 60.3.

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(g) Minor physical flood mitigation projects that reduce localized flooding problems and do not duplicate the flood prevention activities of other Federal agencies.

(h) Beach nourishment activities.

### § 78.13 Grant administration.

(a) FEMA may contribute up to 75 percent of the total eligible costs of each grant. At least 25 percent of the total eligible costs will be provided from a nonfederal source. Of this amount, not more than one half will be provided from in-kind contributions. Allowable costs will be governed by OMB Circular A-87 and 44 CFR part 13.

(b) The grantee must submit performance and financial reports to FEMA and must ensure that all subgrantees are aware of their responsibilities under 44 CFR parts 13 and 14.

(c) FEMA will recapture any funds provided to a State or a community under FMA and deposit the amounts in the National Flood Mitigation Fund if the applicant has not provided the appropriate matching funds, the approved project has not been completed within the timeframes specified in the grant agreement, or the completed project does not meet the criteria specified in the regulations in this part.

### § 78.14 Alternative procedures.

For the purposes of this part, alternative procedures are available which allow the community to coordinate directly with FEMA in implementing the program. These alternative procedures are available in the following circumstances. Native American tribes or authorized tribal organizations may submit plans and applications to the State POC or directly to the FEMA Regional Director. If a Governor chooses not to identify a POC to coordinate the FMA, communities may also submit plans and applications to the FEMA Regional Director.

## PART 79 [RESERVED]

## FEDERAL CRIME INSURANCE PROGRAM

**PART 80—DESCRIPTION OF PROGRAM AND OFFER TO AGENTS**

## Sec.

80.1 Definitions.

80.2 Description of program.

80.3 Operation of program and inapplicability of State laws.

80.4 Offer to pay commissions to State licensed property insurance agents and brokers for submitting applications on behalf of purchasers for Federal crime insurance.

80.5 Duties of servicing companies.

80.6 Name and address of invoicing company.

AUTHORITY: 12 U.S.C. 1749bbb *et seq.*; Reorganization Plan No. 3 of 1978; E.O. 12127.**§ 80.1 Definitions.**

(a) As used in this subchapter and in the crime insurance policies issued by the Federal Insurance Administrator, unless otherwise defined in the text of such policies—

(1) [Reserved]

(2) *Adjuster* means any person engaged in the business of adjusting loss claims arising under property insurance policies issued by an insurance company. The term also includes the staff adjusters of servicing companies;

(3) *Affordable rate* means such premium rate as the Director determines would permit the purchase of a specific type of insurance coverage by a reasonably prudent person in similar circumstances with due regard to the costs and benefits involved. For the purposes of the sale of Federal crime insurance, the rates set forth in part 83 of this chapter shall be deemed affordable;

(4) *Agent or broker* means any person authorized to engage in the property insurance business as an agent or broker under the laws of any State;

(5) *Crime insurance* means insurance against losses resulting from robbery, burglary, larceny, and similar crimes, as more specifically defined and limited in part 83 of this chapter and in the various crime insurance policies issued by the insurer. The term does not include automobile insurance or losses resulting from embezzlement;

(6) *Discounts*. The premium credit issued to a residential or business in-

sured protected by a burglar alarm system, or other protective devices or methods used to mitigate losses and considered adequate by the Administrator for the type of risk involved, such as protective armored car services.

(7) *Deductible* means the fixed amount or percentage of any loss not covered by an insurance policy. The amount of the deductible must be exceeded before insurance coverage takes effect;

(8) *Eligible premises* means a property eligible for crime insurance coverage under one or more of the types of policies described in part 83 of this chapter;

(9) *Insurance company* means any property insurance company, or group of companies, authorized to engage in the insurance business under the laws of any State;

(10) *Insurer* means the Federal Insurance Administrator, Federal Emergency Management Agency, Washington, DC.

(11) *Policyholder premium* means the total insurance premium payable by the insured for the coverage or coverages provided under any insurance policy;

(12) *Program* means the Federal crime insurance program authorized by title VI of the Housing and Urban Development Act of 1970 (Pub. L. 91-609, December 31, 1970), set forth principally in 12 U.S.C. 1749bbb-10a, *et seq.*;

(13) *Protective device* means any structural, mechanical, electrical, chemical, or other physical obstacle or device that can be utilized by a property owner to prevent or deter crime or to minimize losses;

(14) *Protective measure* means any protective device or other measure or procedure employed to prevent or deter crime or to minimize losses; and

(15) *Servicing company* means an insurance company or other organization that has entered into an agreement with the insurer to issue and service Federal crime insurance policies on the insurer's behalf in one or more States or areas eligible for the sale of such insurance.

(16) *Act* means the Urban Property Protection and Reinsurance Act of 1968, codified as title XII of the National Housing Act (12 U.S.C. 1749bbb-